Manitoba Child and Family Poverty Report Card 2005

Where There's a Will There's a Way: If Not Now, When?

A Report on Indicators of the State Of Manitoba Families and Children Living in Poverty

Social Planning Council of Winnipeg

A Campaign 2000 Partner Organization

"This House...seeks to achieve the goal of eliminating poverty among Canadian children by the year 2000."

Unanimous all-party resolution
House of Commons
November 24th, 1989

ACKNOWLEDGEMENTS

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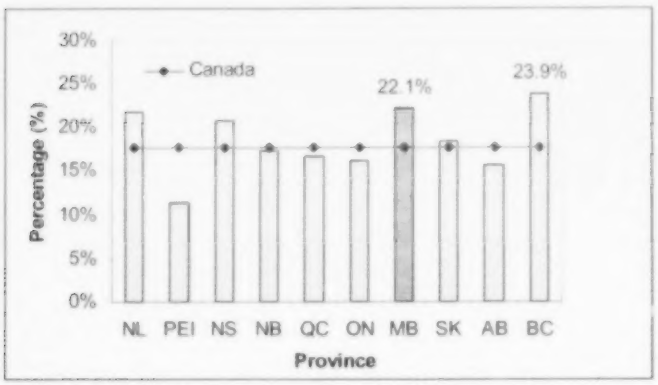
CHILD AND FAMILY POVERTY IN MANITOBA

In 1989 the House of Commons unanimously passed an all-party resolution to end child poverty in Canada by the year 2000. Today, almost one quarter of Manitoba's children live in poverty (57,000). This does not include children living on reserves. This is greater than the population of Brandon (40,000), Manitoba's second largest city.

Manitoba is in a good position to move forward with a strategy to reduce and prevent poverty in our province. Our economic outlook is positive. We know what is needed and much of the infrastructure is already in place. All that is missing is the will, courage, commitment, and leadership to act. It has been sixteen years too long. For the 57,000 children in poverty in our province, ***if not now, when?***

MANITOBA CHILD POVERTY RATE IN NATIONAL PERSPECTIVE

Figure 1: Child poverty rate by province, 2003



Manitoba's child poverty rate in 2003 was 22.1%. **Manitoba has the second highest child poverty rate in Canada**. British Columbia has the highest at 23.9%.

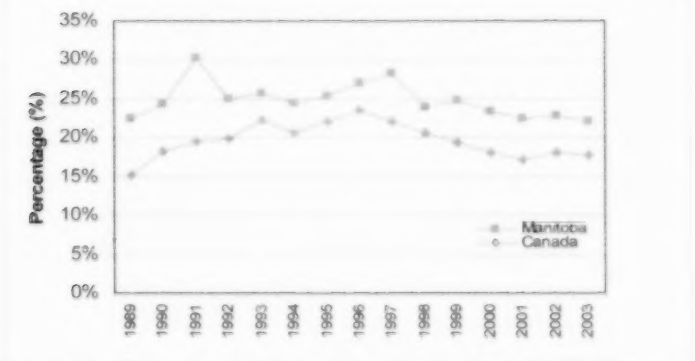
Source: Income Trends in Canada 2003, Statistics Canada

NO CHANGE IN SIGHT

Manitoba has not only stagnated in its reduction of child and family poverty since 2000, it has also not made significant headway over the past fifteen years. Since 2000, Manitoba's child poverty rate has fluctuated within less than one percentage point (between 23.3% and 22.1%).

Since 1989 Manitoba's rate has consistently been above 20% and well above the national average. In fact the rate today (22.1%) is virtually the same as in 1989 (22.5%).

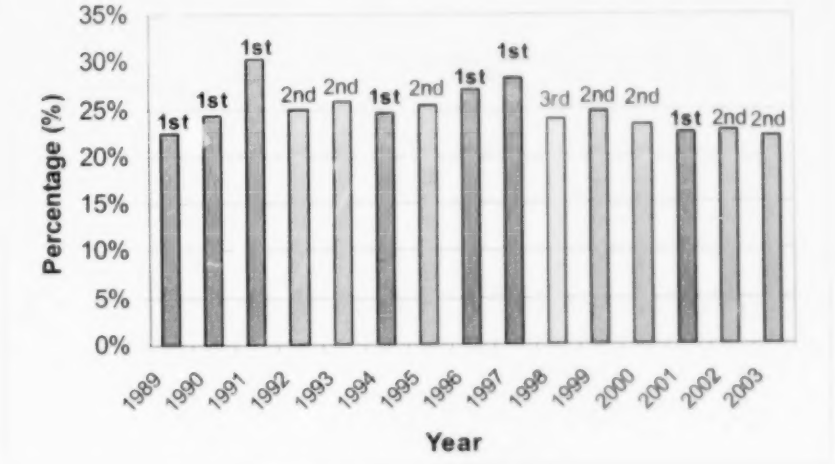
Figure 2: Child poverty rate, Canada and Manitoba, 1989-2003



Source: Income Trends in Canada 2003, Statistics Canada

In fact, between 1989 and 2003, Manitoba has been the child poverty capital of Canada a total of seven times. In that same time frame, Manitoba has been one of the three provinces with the highest child poverty rate every year (mostly first or second)

Figure 3: Manitoba's national child poverty ranking, 1989-2003



Source: Income Trends in Canada 2003, Statistics Canada

CHILD POVERTY BY FAMILY TYPE

Contrary to what one might assume, the majority of children who live in poverty in Manitoba live in two parent families (40,000) while 16,000 children in poverty live in families that are headed by a lone female parent. The likelihood of living in poverty, however, is significantly higher for children living in female lone parent families than for those children living in other families.

There is some good news. The rate of poverty among children in female lone parent families is improving in Manitoba. In 2003, the poverty rate for this family type was 46.6%; the lowest it has been in over twenty years. While still entirely unacceptable, this is a significant improvement from 1990 when it reached a high of 73.2%

While we should be pleased that the rate of poverty is improving among female lone parent families, we have to be concerned that currently, **Manitoba has the highest rate of child poverty in two parent families in Canada at 18.8%**. This is the highest it has been since 1997 when it was 21.7%. The second highest is British Columbia at 15.1%.

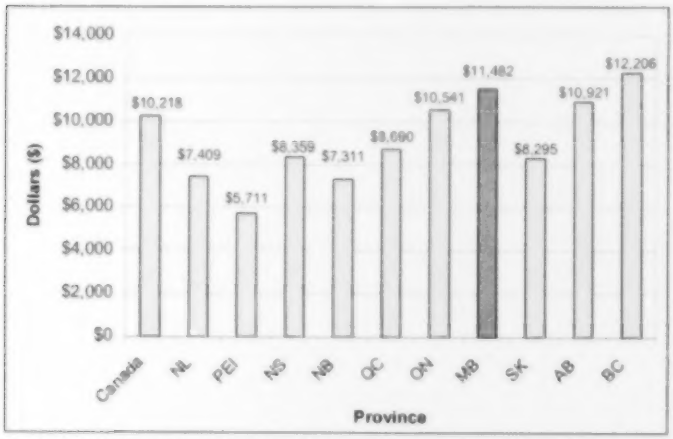
DEPTH OF POVERTY - MANITOBA FAMILIES FALLING FURTHER BEHIND

While poverty rates have been improving for female lone parent families, the depth of poverty that they experience has not. In 2003, this family type was on average **$11,700** below the poverty line. This is an increase from 2002 when they required, on average, $11,000 to reach the LICO, and the highest it has been since 1995.

In 2003, two parent families with children needed an average of **$12,000** just to reach the poverty line in Manitoba. This is the largest gap for this family type in twenty-five years and it has been increasing. In 2001, the low income gap was $8,100 and in 2002 it had reached $10,900.

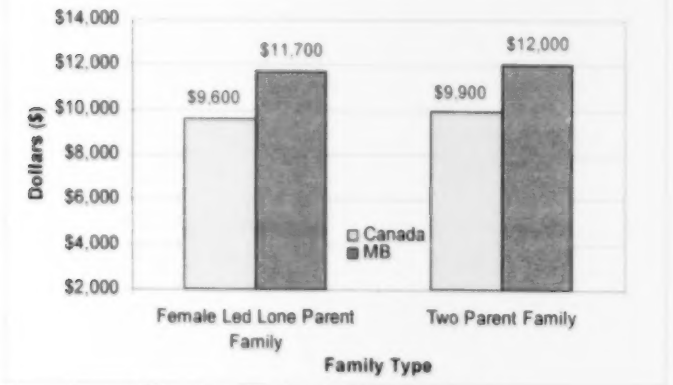
When compared to other provinces, Manitoba has the second highest depth of poverty for all children in all types of families. However, for both two parent and female led lone parent families, Manitoba has the highest depth of poverty.

Figure 4: Average low income gap, children (under 18), provinces, 2003



Source: Canadian Council on Social Development using Statistics Canada's Survey of Labour and Income Dynamics, masterfile

Figure 5: Average low income gap by family type, Canada and Manitoba, 2003



Source: Income Trends in Canada 2003, Statistics Canada

Child Care

Child care is an important support for families. Not only does child care provide educational benefits to children; it also helps parents to work or go to school. Manitoba has made some good progress in the area of child care. In 2005, Manitoba was the first province to sign a bi-lateral child care agreement with the federal government.

The new funds for child care will go towards Manitoba's five year plan for child care, which was released in 2002. Unfortunately, child care remains difficult for many families to obtain and afford.

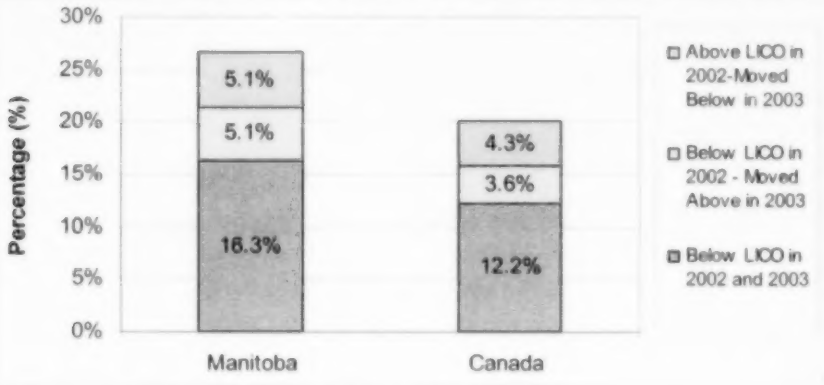
Currently, regulated child care facilities in Manitoba are permitted to charge an additional fee to parents of $2.40/day/child so even those with the maximum subsidy and limited incomes may still have to pay. Employment and Income Assistance may pay up to $1.00 of the surcharge for recipients. However, a fully subsidized parent who is not in receipt of Employment and Income Assistance and who has two children could still pay up to $96 per month (20 days) for child care.

DURATION OF POVERTY – MANITOBA'S REVOLVING DOOR

Between 1996 and 2001, Manitoba had the highest proportion of children who were in poverty for the entire six years at 9.4%. The national average was 6.2%.

While poverty tends for the most part to be cyclical, with families moving in and out over the years, the graph below presents some alarming information. It illustrates that between 2002 and 2003 in Manitoba **there were as many children moving into poverty as there were moving out – much like a revolving door**. It also shows that Manitoba is well above the national average in terms of children who were poor for both years at 16.3% versus 12.2% for all of Canada

Figure 6: Percentage of children living in poverty in 2002 and 2003, Canada and Manitoba



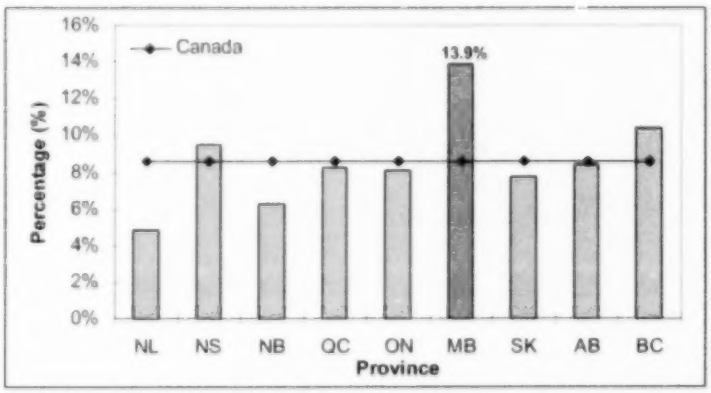
Source: Statistics Canada's Income Trends in Canada, 2003

CHILDREN IN WORKING POOR FAMILIES: WORK DOESN'T PAY

In 2003, **23,200** families with children where at least one member worked full time, full year were living below the LICO. Of Manitoba's 167,200 families with children that worked full time full year (49 weeks or more) in 2003, **13.9%** were below the LICO. This is by far the highest proportion of all the provinces and well above the Canadian average.

This is not a recent trend. Between 1993 and 2003, with the exception of two years, Manitoba had the highest proportion of children in families where at least one member worked full time for the full year and who still fell below the LICO.

Figure 7: Proportion of children in families working full time, full year below LICO, Canada and provinces*, 2003



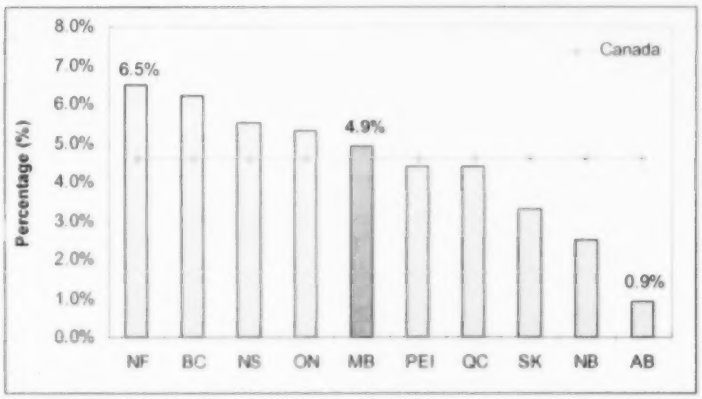
Source: Canadian Council on Social Development using Statistics Canada's Survey of Labour and Income Dynamics, masterfile. * No data were available

In 2004, 23,900 people or 4.9% of Manitoba workers earned the minimum wage of $7.00/hour or less.[1] This was slightly higher than the national average of 4.6%.

While the proportion of workers earning at or below the minimum wage seems small, Manitoba does have a high proportion of low paid workers.

In 2004, **27.2% of workers earned less than $10.25 per hour** and 114,000, nearly one in four workers, earned less than $10 per hour.[2] It is important to note that the majority of low paid workers in Manitoba, as in the rest of Canada, are women.

Figure 8: Proportion of Employees working at minimum wage, provinces, 2004



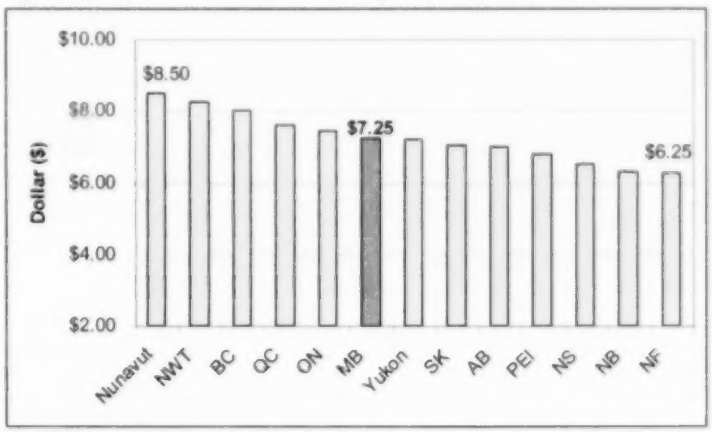
Source: Labour Force Survey 2004, Statistics Canada. Fact Sheet on Minimum Wage. *Perspectives on Labour and Income*, September 2005.

> In 2004, 114,000 Manitoba workers, or almost one in four, earned less than $10.00 an hour; 85,000, more than one in six, earned less than $9.00, and 52,000, just over 10%, earned less than $8.00. These are not just young workers. Almost half (48.3%) of those earning less than $10, and almost 40% of those earning less than $8, are 25 or older. These numbers suggest that 25% or more of Manitoba's population—those paid the wages and their family members—are affected by low wages.
>
> Black, 2005

In 2005, at the current minimum wage of $7.25/hour, a single parent with one child would have to work **65.9 hours** per week just to reach the LICO ($25,319). In order to meet the poverty line at forty hours per week, this parent would require an hourly wage of **$11.94.**

Since 1999 Manitoba's minimum wage has increased annually by $.25 from $6.00 per hour to its current level of $7.2 per hour. At $7.25 per hour, Manitoba's minimum wage is around the middle of the pack compared to the other provinces.

Figure 9: Provincial minimum wage levels, 2005



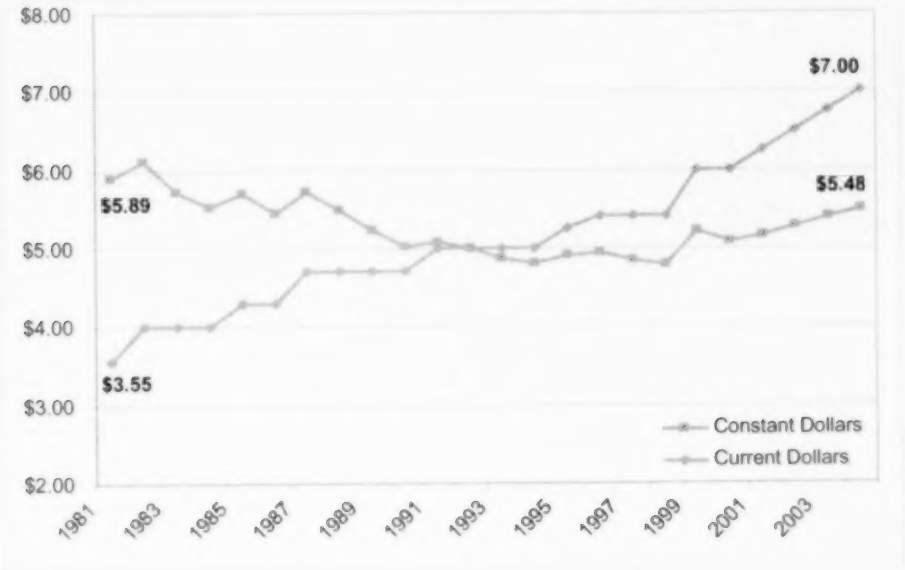
Source: Database on Minimum Wages. HRSDC.

[1]Statistics Canada (2005a). Minimum Wage Fact Sheet. *Perspectives on Labour and Income*, September 2005.
[2]Just Income Coalition (2005). *Paid to be Poor: Low Wage Community Inquiry, Manitoba 2005.*

Six of the provinces (not including Manitoba) have scheduled increases to 2007. Manitoba has not announced any plans to increase the minimum wage beyond its current level. Saskatchewan will move ahead of Manitoba when their minimum wage increases to $7.95 per hour in March 2007.

As can be seen in the graph below, Manitoba's minimum wage increased by 50% between 1981 and 2004 from $3.55 in 1981 to $7.00 in 2004. However, when we calculate the minimum wage in constant 1992 dollars, accounting for the effects of inflation on the purchasing power of families, we can see that its value actually decreased during this time period by approximately 7%. **Manitoba's minimum wage was worth more in 1981 than it is in 2005.**

Figure 10: Manitoba minimum wage, Current and Constant Dollars (1992 base), 1981-2004



Source: Calculations performed by the Social Planning Council of Winnipeg using Statistics Canada

Aboriginal children

According to the Census, the poverty rate for off-reserve Aboriginal children in Manitoba was 49.7% in 2001. Aboriginal people continue to experience a standard of living that is far below that of the general population whether they live in cities, on First Nations communities, or in other rural and northern communities. The situation of Aboriginal people is considerably worse than that of non-Aboriginal people on nearly every social and economic indicator. These include high rates of homelessness, unemployment, poverty, poor housing and incarceration, lower levels of educational attainment, higher morbidity for many disorders, and higher premature mortality.

We await with interest the results of the First Ministers Meeting on Aboriginal poverty, and hope that it involves an effective plan to reduce the shamefully high poverty rates of Aboriginal children, wherever they live and whatever their status. A positive step has been the Province of Manitoba's decision to not claw back the residential school settlements from Aboriginal people in receipt of Employment and Income Assistance.

Margot's Story

Margot had worked for a social services agency until she lost her job when the agency was reorganized and downsized. After being on unemployment insurance for a year, she took work in a childcare centre at minimum wage, earning much less than she had in previous years. "I ended up losing my home and moving into a small apartment with my son. That was a frightening change. When you are poor you lose your privacy. You have no place to go, no playground." When she lived in low-cost housing she found that there was a dryer but no washer. She could not afford transportation to buy bulk or shop around for deals, so she ended up paying more for food. "You have to be careful if you want fresh fruits and vegetables, and how do you keep it fresh if your fridge is too small?"

"If you need new glasses you cannot afford them. There is no way to get real dentistry done and you have to hope that your prescriptions don't cost too much." Margot said she felt the pain of not being able to pay for extra-curricular activities for her son. She participated in the school council, but was always the one speaking out against various field trips because she knew that she and others could not afford them. Her son never had a computer and, at the time, there were none in his school. "Minimum wage takes away the soul of life-music, arts, gymnastics, sports, everything that costs more than you can afford. These are the things that touch something inside you, and we cannot even afford transportation to these events."

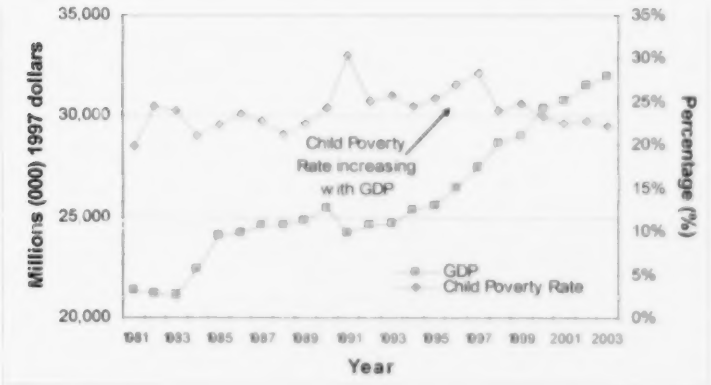
She said that if you give people a living wage they could keep their dignity. They can feel that they have a say in their life. "That is how you know who you are and that you are a gift to society. It may mean that some people may have to make sacrifices. But who said that they are supposed to make all these thousands, and more next year. It is just not right."

Margot's Story is taken from *Paid to be Poor*, Just Income Coalition (2005).
See the full report at: www.just-income.ca

POVERTY IN A LAND OF PLENTY

There are some who believe that a strong economy and steady economic growth will create a boom from which everyone will benefit. A strong economy is important for reducing poverty, but it is not a silver bullet. Relying on economic growth alone to improve incomes is not an effective long term strategy.

Figure 11: Incidence of child poverty and gross domestic provincial product* (basic prices, 1997 dollars), Manitoba, 1981-2003



Source: Calculations performed by the Social Planning Council of Winnipeg using Statistics Canada data provided by the Manitoba Bureau of Statistics.

As this graph shows, the relationship between the child poverty rate and economic growth, as measured by the provincial Gross Domestic Product (GDP)*, appears to be inconsistent and tells only part of the story. For example, during times of recession, Manitoba's child poverty rate has skyrocketed as GDP has declined dramatically. But even during times of stable growth, Manitoba's child poverty rate has increased. This relationship suggests that government policy decisions and remuneration in the labour market have major impacts on the child poverty rate.

* Gross Domestic Product (GDP) at basic prices equals GDP at market prices less the net of indirect taxes on products and services minus subsidies.

GOVERNMENT TRANSFERS HELP REDUCE THE NUMBER OF CHILDREN LIVING IN POVERTY

In 2003, 26,800 children were kept out of poverty as a result of government transfers to families and individuals.

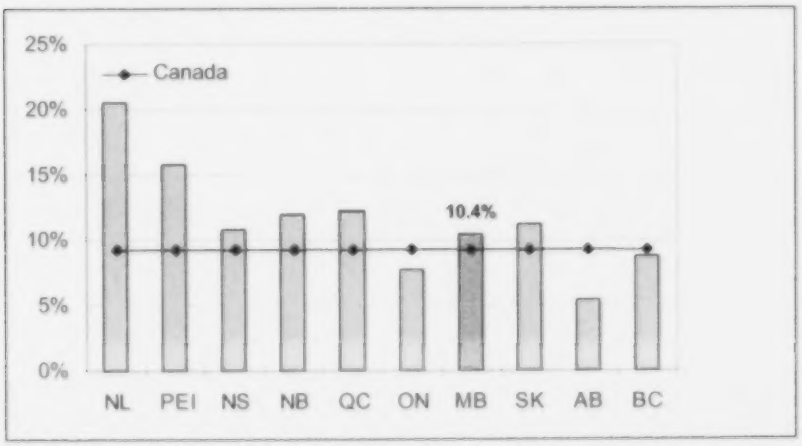
Without these transfers, **83,600** children in Manitoba would have fallen below the Low Income Cut-Off in 2003 and the child poverty rate would have been significantly higher at **32.5%**.

As can be seen below, the interaction of federal, provincial and municipal transfer programs does a much better job in six other provinces at keeping children out of poverty than it does in Manitoba.

Government transfers are direct payments made to individuals and families. Examples include:

Child tax benefits
Canada Pension Plan/Quebec Pension Plan benefits
Old Age Security and Guaranteed Income Supplement/Spouse's Allowance
Employment Insurance benefits
Social assistance
Workers' compensation benefits
GST/HST Credit
Provincial/territorial tax credits

Figure 12: Proportion of children prevented from LICO poverty by government transfers, Canada and provinces, 2003



Source: Canadian Council on Social Development using Statistics Canada's Survey of Labour and Income Dynamics, masterfile.

"None of us can rest until this rate is much lower"

"We absolutely are committed and responsible for continuing to invest…throughout the system to do everything we can to reduce the number of children living in poverty. We accept that responsibility".

Honourable Gary A. Doer, Premier of Manitoba
Hansard, 38th Legislature
November 24th, 2004

As can be seen in the table below, in 2004, the average welfare income for a couple with two children in Manitoba was $19,962, which includes basic social assistance, the Federal child tax benefit and the Federal GST credit. This is an income at only 53% of the poverty line! In Manitoba, in the same year, the average pre-tax income among couples with two children was $75, 610.[1]

Table 1: Estimated Annual Welfare Income by Type of Household, Manitoba, 2004

	Basic Social Assistance	Federal Child Tax Benefit	Provincial/ Territorial Child Benefits	Federal GST Credit	Total Welfare Income	Welfare Income as % of Poverty Line
Single Parent, One Child	$9,636	$2,911	$0	$556	$13,103	52%
Couple, Two Children	$14, 151	$5,139	$0	$672	$19,962	53%

Source: National Council of Welfare (2005). *Welfare Incomes 2004.*

Employment and Income Assistance benefits decreased dramatically in the 1990s due to reductions and erosion of benefits. Since 1989 benefits have decreased in actual purchasing power by 21.6% for lone parent families with one child and 29.1% for two parent families with two children.

Table 2: Welfare Benefits in 2004 Constant Dollars (Manitoba)

	1989	2004	% Change
Single Parent, One Child	$12, 298	$9,636	-21.6%
Couple, Two Children	$19,958	$14,151	-29.1%

Source: National Council of Welfare (2005). *Welfare Incomes, 2004.*

GROWING INCOME INEQUALITY
The poor get poorer and the rich get rich

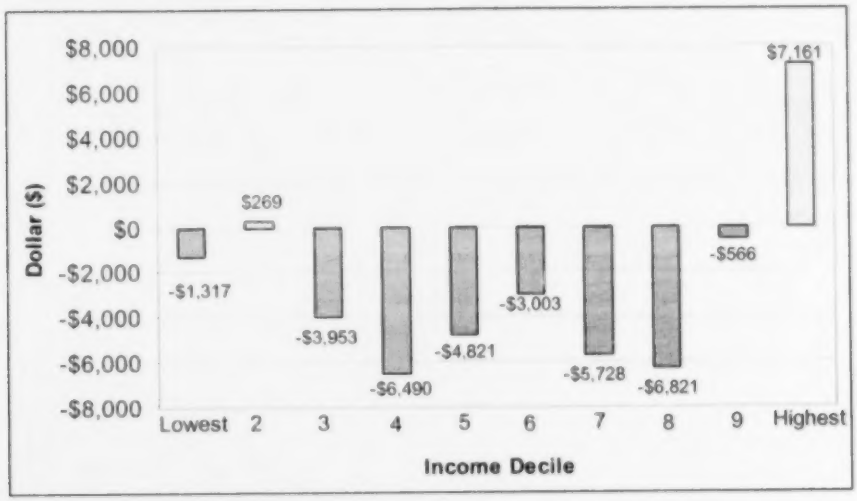
Income inequality refers to how income is distributed across different income groups. It is determined by ranking families according to their incomes, from the lowest to the highest, then dividing them into ten groups of equal number to create deciles.

In 2003, of all families with children in Manitoba, the 10% of families with the lowest incomes had an average pre-tax total income from all sources of $15,195. Conversely, the 10% of families with children with the highest incomes had an average total income of $169,051. This means that for every $1 of income for the poorest families in Manitoba, the wealthiest families had $11.

Between 1993 and 2003 the poorest 10% of families with children in Manitoba saw their average income in constant dollars fall by 8.0% or $1,317 (in constant 2003 dollars). The average incomes of the wealthiest 10% of families with children grew by an average 4.4% or $7,161 (in constant 2003 dollars).

[1] National Council of Welfare (2005). *Welfare Incomes, 2004.*

Figure 13: Growth in average total income* (in 2003 constant dollars) before tax but after transfers by decile for families with children under 18, Manitoba 1993-2003



Source: CCSD using Statistics Canada's Survey of Labour and Income Dynamics, masterfile.

Even when there is economic growth – it is not spread equitably across the income groups. The majority of the growth in average income for families with children under 18 over the past decade has gone to the wealthiest 10% of families in Manitoba.

> "Studies suggest that the distribution of income in a given society may be a more important determinant of health than the total amount of income earned by society members. Large gaps in income distribution lead to increases in social problems and poorer health among the population as a whole."
>
> Donner, Lissa (2002). *Women, Income, and Health in Manitoba: An Overview and Ideas for Action.*

UNAFFORDABLE HOUSING AND FOOD INSECURITY

Other indicators of poverty in addition to insufficient income include the **availability of quality** housing and the **level of food security**. Housing and food security are closely related. As housing is one of the greatest expenses for families, families will often take money out of their food budget to help pay for their housing costs. As a result, these families are not able to get the high quality food they require to be healthy.

* Average total income is income from all sources.

Housing

In 2003, close to half (45.9%) of poor families with children in Manitoba were in unaffordable housing. This was a slight improvement from 2002 when 49.6% were in unaffordable housing. Housing is considered unaffordable if shelter costs are greater than 30% of total income.

The median market rent in Winnipeg for a two bedroom apartment in 2004 was $664 and for a three bedroom apartment was $785. The shelter allowance component of Employment and Income Assistance, or "welfare" as it is commonly known is $430 for a lone parent and two children. This is a shortfall of -$234 to -$355.[4]

So many families are in unaffordable housing because there are not enough social housing units in Manitoba with a long term subsidy attached to them. In 2004 there were 4,500 Winnipeg households on the waiting list for the 8,002 social housing units managed by the Manitoba Housing Authority and there were 2,877 households waiting for public housing units across Manitoba. There are currently 4,000 families with approximately 15,000 children on waiting lists for the urban Aboriginal housing.[5]

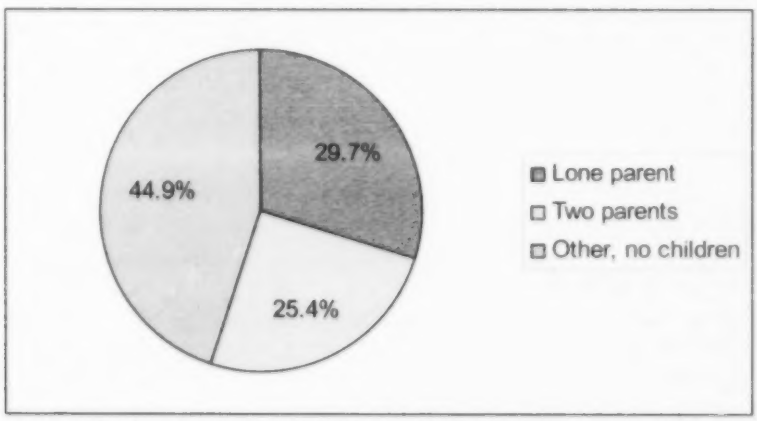
Food Insecurity

Food security is defined as having access to sufficient, safe, and nutritious food that meets one's dietary needs and food preferences for an active and healthy life. Far too many children and families in Manitoba are food insecure, relying regularly on emergency food banks for food.

According to Winnipeg Harvest, the number of child food bank clients in Manitoba is growing. Across Manitoba between 2004 and 2005 the number of hungry children has risen 8% to 21,245 per month. This was the second highest increase in child food bank recipients in Canada.[6]

Winnipeg Harvest now provides emergency food to 18,148 children each month, up from 17,256 per month last year. That is a 5.2% increase. According to Hunger Count 2005, along with Saskatchewan, Manitoba has the highest percentage of child food bank clients in Canada at 46.4%.[7]

Figure 14: Family and household composition of food bank users, Manitoba 2005



Source: Canadian Association of Food Banks. *Hunger Count, 2005.*

[4] Canadian Centre for Policy Alternatives – Manitoba (2005). *The Promise of Investment in Community Led Renewal. State of the Inner City Report: 2005*, Part I: Policy Considerations.
[5] ibid.

WHERE THERE'S A WILL THERE'S A WAY...

When it comes to child and family poverty, Manitoba has flat lined with no trend of significant improvement since 1989. We know that poverty can be reduced and we know what it takes to make reductions. We need strong political leadership and a solid commitment. We need an action plan that outlines our values and that attaches targets and benchmarks to the commitment to reduce child poverty.

Manitoba has strategies for economic growth and balanced budgets, but without a related strategy on poverty reduction, we will continue to have one of the consistently worst records in Canada at alleviating child poverty. Additionally, our performance as a province will suffer as eliminating child poverty is essential for limiting labour shortages, improving economic growth and for improving the health of the population.

Reducing child and family poverty is an achievable goal

According to a report by UNICEF, *Child Poverty in Rich Countries, 2005*, OECD governments have the capacity to reduce the rate of child poverty through government intervention and social transfers. As countries with similar levels of social spending can have considerable variations in their rates of child poverty, the report found that it is not necessarily how much a government spends that makes the difference, but the extent to which children and families are given priority in how those resources are allocated.

The report found that:

- Many OECD countries appear to have the potential to reduce child poverty below 10% without a significant increase in overall spending.
- Governments in the countries with lowest levels of child poverty reduce market poverty by 80% or more. Governments in countries with the highest levels reduce it by only 10% - 15% comparatively.
- No OECD country devoting 10% or more of GDP to social transfers has a child poverty rate higher than 10%.
- Targeted government interventions, including spending on family and social benefits, are clearly associated with lower child poverty rates, and on average reduce by 40 per cent the rates of child poverty that would be expected to result from market forces alone.

UNICEF, *Child Poverty in Rich Countries, 2005*

Manitoba has made significant improvements in the child care arena and has become somewhat of a national leader – setting the stage for others to follow. Manitoba has created a five year plan for child care and has been moving toward meeting targets. Why not in child poverty reduction?

RECOMMENDATIONS

Child and family poverty is a complex problem that crosses all levels of government jurisdiction and responsibility – federal, provincial, and municipal. It is time for a comprehensive Anti-Poverty Strategy for Manitoba that involves leadership and action from all three levels of government. ***If not now, when?***

City of Winnipeg and other municipalities:

- Establish living wage by-laws to govern service contracting. These would legislate payment of a living wage as a criterion in selecting contractors;
- Continue to participate with the federal and provincial governments in providing affordable housing by continuing to fund up to the allocated $17.5 million under the Affordable Housing Initiative until January 1, 2008 when the program expires;
- Ensure recreation is universally and locally available to children in low income families. High quality, accessible recreation can protect children against some effects of poverty; and
- Extend reduced fare transit passes to all low income residents.

Province of Manitoba:

1. Employment and Income Assistance

   - Increase benefits immediately to at least the current value of 1992 levels and index them to increases in the cost of living; and
   - Increase the shelter allowance component to reflect median rental rates in the local market. Currently, Employment and Income Assistance recipients often cannot secure adequate housing without reallocating funds from other basic needs.

2. Transit

   - Increase funding to municipal public transportation services to extend reduced fares to all people with low incomes.

3. Improve labour market security by:

   - Increasing the minimum wage to a liveable level of $10 per hour in a predictable fashion over the next three years, and index it to the annual inflation rate.
   - Working in partnership with business and the non-profit sector to ensure the creation of good jobs at good wages.
   - As recommended by the Manitoba Community Low Wage Inquiry Panel in their report, *Paid to be Poor*, revise the Employment Standards Code to include:
     - ⇒ Widening coverage so that currently excluded workers, such as farm labourers and the self-employed are included.
     - ⇒ The regulation of working hours for part time employees, including the provision of guaranteed hours and adequate notice of change in hours.
     - ⇒ A requirement that employers provide a supportive environment suitable for all types of employees, including parents, single parents, and those with special needs and skills deficits.
     - ⇒ Increasing the use of company wide audits so that violations reported by an individual worker are investigated company wide.
     - ⇒ Instituting meaningful penalties for employment standards violations.
   - Establish living wage legislation to govern service contracting. These would legislate payment of a living wage as a criterion in selecting contractors.

4. Expand the availability of affordable housing for people with low incomes by:

   - Improving the condition of current social housing units;
   - Supporting the creation of more social housing units;
   - Supporting community based housing organizations to produce housing; and
   - Implementing the integrated portable shelter benefit announced in the 2005 budget

5. Child care

   - Eliminate the $2.40 per child/day surcharge that centres are permitted to charge in addition to regular fees.

6. Income Supports

   - Convert the Child Related Income Supplement into an adequate income-tested subsidy for all low and moderate income families with children and coordinate it with the Canadian Child Tax Benefit

Government of Canada:

We support the recommendations of Campaign 2000 in the 2005 National Child Poverty Report Card, which can be viewed at www.campaign2000.ca. These are a summary of their recommendations:

1. More Good Jobs at Living Wages

   - Raise the minimum wage to a living wage of $10 an hour (indexed to inflation) in every province, territory and sectors of the labour force under federal jurisdiction; and
   - Establish living wage legislation to govern service contracting. These would legislate payment of a living wage as a criterion in selecting contractors.

2. An Effective Child Benefit System

   - The federal government should commit to a longer term plan beyond 2007 which would consolidate current child benefits into a single program and raise the child benefit to a maximum of $4,900 (in 2005 dollars) per child by the third year of the plan.

3. A Universally Accessible System of Quality Early Childhood Education and Care

   - Continue to proactively implement the early learning and child care agreements with provinces, and enact legislation to secure the commitment; and
   - Funding to continue rising to reach $5 billion annually by year 5 and $10 billion by year 15, while provinces maintain and supplement current funding levels.

4. Significant Expansion of Affordable Housing

   - 25,000 new affordable housing units to be built every year for the next five years.

5. Canada Social Transfer

   - Restore financing for the Canada Social Transfer to indexed 1995 levels and index to the annual inflation rate;
   - Reorganize the Canada Social Transfer into a post-secondary education transfer and social services/social assistance transfer; and
   - Develop goals, objectives and standards for the Canada Social transfer.

TECHNICAL NOTES

The Survey of Labour and Income Dynamics data do not include on reserve First Nations households in the calculation of the LICO.

Measurement of Poverty in Canada

"...No country, not even the richest countries, can reduce child poverty unless they define very clearly what they mean by child poverty. No country, not even the richest countries can achieve a considerable reduction to child poverty if they don't give priority to children."

Gaspar Fajth
UNICEF's Senior Advisor on Global Policy

Canada does not have an official measure of poverty. There are a number of different tools used to measure poverty in our province. The debate about poverty in Canada too often becomes a debate about how it is measured or understood. This report uses the Statistics Canada Pre-Tax Low Income Cut-Off (LICO).

The LICO is the measure most commonly used by those reporting on poverty. While Statistics Canada states that it is not a measure of poverty, they do note that it is a consistent way of identifying those who are "substantially worse off than average". Of all of Canada's poverty measures, the LICO is available to capture and report on long term trends.

As well as its availability, the LICO is clearly recommended by the fact that those children below it are more likely to suffer the known health, mental health, educational, occupational and social effects of poverty than those above it.

According to Statistics Canada, "a LICO is an income threshold below which a family will likely devote a larger share of its income on the necessities of food, shelter and clothing than the average family. The approach is essentially to estimate an income threshold at which families are expected to spend 20 percentage points more than the average family on food, shelter and clothing". A family spending 20 percentage points more than the average would be in "straitened circumstances".[8] There are thirty five low income cut offs in total, which vary by family and community size.

Table 3: Low income cut-offs (1992 base) before tax, 2003

	Population of Community of Residence				
Family Size	**500,000 +**	**100,000-499,999**	**30,000-99,999**	**Less than 30,000***	**Rural**
1	$19,962	$17,192	$17,085	$15,634	$13,742
2	$24,851	$21,401	$21,269	$19,462	$17,107
3	$30,552	$26,310	$26,148	$23,926	$21,031
4	$37,094	$31,945	$31,748	$29,050	$25,535
5	$42,071	$36,230	$36,008	$32,948	$28,961
6	$47,449	$40,863	$40,611	$37,160	$32,664
7 +	$52,827	$45,494	$45,214	$41,372	$36,366

[8] Statistics Canada (2005b). *Low income cut-offs for 2004 and low income measures for 2002.* Income research paper series, Catalogue no. 75F0002MIE2005003. Statistics Canada, Income Statistics Division.

DEFINITIONS

Unaffordable Housing: Housing is considered unaffordable if shelter costs are greater than 30% of total income. Annual costs of shelter included for the household are as follows: for owners, mortgage payments, property taxes, condominium fees (if applicable), and payments for electricity, fuel and water; for renters, rent plus payments for electricity, fuel and water not already included in the rent.

Government transfers include all direct payments from federal, provincial and municipal governments to individuals or families. It should be noted that many features of the tax system also carry out social policy functions but are not government transfers per se. The tax system uses deductions and non-refundable tax credits, for example, to reduce the amount of tax payable, without providing a direct income.

Aboriginal Identity refers to those persons who reported identifying with at least one Aboriginal group, and/or those who reported being a Treaty Indian or a Registered Indian, and/or who were members of an Indian Band or First Nation. Prior to 1996, Aboriginal persons were determined using the ethnic origin (ancestry) question. The 1996 and 2001 censuses included a question on the individual's own perception of his/her Aboriginal identity.

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WHO WE ARE

The Social Planning Council of Winnipeg is an independent membership-based organization in the voluntary sector committed to providing leadership in social planning and effecting social policy changes. The Social Planning Council of Winnipeg works to create a just, caring, inclusive and responsive society by:

Identifying and defining social planning issues, needs, capacities, and necessary resources in the community;

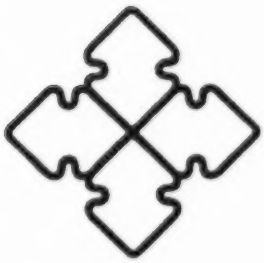
Developing and promoting policy and program options to policy –makers;

Supporting community groups and the voluntary human service sector;

Raising community awareness of and providing voice to social issues and human service needs, social policy options, and service delivery alternatives; and

Facilitating communication and collaboration among government, business, labour, the voluntary sector, and grassroots communities.

Campaign 2000 is a national coalition comprised of over 90 national, provincial, and local partners. This coalition was formed in 1991 in response to the Federal Government's resolution, proclaimed in 1989, to eliminate child poverty in Canada by the year 2000. Campaign 2000 and its partner organizations maintain their commitment to promote and ensure the full implementation of the Federal Government's promise.



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